



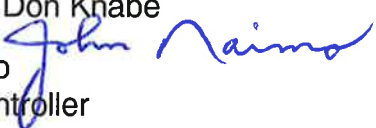
JOHN NAIMO  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

July 21, 2015

TO: Supervisor Michael D. Antonovich, Mayor  
Supervisor Hilda L. Solis  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe

FROM: John Naimo   
Auditor-Controller

SUBJECT: **QUARTERLY REPORT ON IMPACT OF HEALTH CARE REFORM ON  
COUNTY CASH FLOWS (Board Agenda Item 36-A, June 25, 2013)**

On June 25, 2013, your Board instructed the Auditor-Controller to report quarterly on the impact of health care reform on the County's cash flows and the Department of Health Services' (DHS) financial performance. This report is for the quarter ended June 30, 2015.

We continue to closely monitor General Fund cash advances to the Hospital Funds. For Fiscal Year (FY) 2014-15, the County General Fund's cash advances to Hospitals were reduced by \$451 million, as the balance of \$871 million at the start of the FY declined to \$420 million at the end of the FY. This substantial improvement is due to collection of over \$200 million of DHS receivables that pre-date the Affordable Care Act (ACA), as well as improved cash flows that are directly associated with the ACA. The most recent year-end date on which cash advances were lower than \$500 million was June 30, 2005.

If you have any questions, please contact me, or your staff may call Connie Yee at (213) 974-8321.

JN:RGC:CY

c: Sachi A. Hamai, Interim Chief Executive Officer  
Patrick Ogawa, Acting Executive Officer, Board of Supervisors  
Mitchell H. Katz, M.D., Director, Department of Health Services  
Joseph Kelly, Treasurer and Tax Collector  
Audit Committee  
Public Information Office